



Pearson

Long Term Incentive Plan Summary (US)

General overview of Long-Term Incentive Plan (LTIP) awards

This summary assumes you are leaving Pearson Group as a result of a 'good' leaver reason as defined by the plan rules (e.g., redundancy), that you are currently employed in the US, and you are an eligible leaver under the plan rules.

Updating your personal details on the share portal

It is important that you log into the Fidelity Stock Plan Services share portal [NetBenefits](https://nb.fidelity.com/static/mybenefits/netbenefitslogin/#/login) (<https://nb.fidelity.com/static/mybenefits/netbenefitslogin/#/login>). Please ensure that you update your personal email address in your Fusion profile prior to your last day. This will ensure that you have access to the share portal after leaving Pearson, and that Fidelity Stock Plan Services can contact you regarding the release of your shares. You can also ensure your contact telephone numbers are correct.

To log into the share portal, you will need your Employee ID (7-digit number), together with password. If you have any problems logging in, you can use the help links online or you can contact Fidelity Stock Plan Services direct through the contact details below.

Pro-rating of awards

Each of your outstanding LTIP awards will be adjusted to reflect the whole months between the date of grant and your last date of employment (leave date).

Any fraction of a share is rounded down. You will be deemed to have worked one month if you are employed on the 28th of each month.

You will also receive additional shares on the adjusted award to reflect the dividends declared between the grant date and your leave date.

Performance LTIP awards

Any LTIP awards with performance conditions cannot be released until their final maturity date. They will be released (and prorated where appropriate) should the performance conditions be met. Fidelity Stock Plan Services will contact you separately regarding these awards once they have been released.

What happens next?

Once your leaver details have been updated in your online [NetBenefits](#) account, Fidelity Stock Plan Services will process your unvested awards dependant on their agreed vest dates on a Sell to Cover basis, which means they will automatically sell enough shares to cover the estimated federal tax, state tax and social security contributions that may be due, and the balance of shares will be transferred as American Depositary Receipts (ADRs) into your Vested Shares account.

Once this transaction has taken place, Fidelity Stock Plan Services will notify you by email that you will now

be able to view your shares in your Vested Shares account where you will be able to keep or sell them at any stage in the future.

When will I receive my ADRs?

Once your LTIP shares are released your ADR shares can be viewed within your Stock Plan Award tile on NetBenefits. The ADRs will be transferred to you as soon as practicable after you have left, but you should allow 8 weeks for the process to be completed.

How do I contact Fidelity Stock Plan Services?

If you require any assistance with regards to your [NetBenefits](#) share plan account, you can contact Fidelity Stock Plan Services direct:

 Helpchat	This can be activated whilst online, look out for the icon
 The Fidelity Stock Plan Services Helpline	Visit Fidelity.com/globalcall to find the relevant number based on country of residence.

What do I do if I decide to sell or keep my ADRs?

Once the ADRs have been transferred to your Vested Shares account, you can log into your [NetBenefits](#) account where you will be able to keep them or sell them at a time of your choosing.

Once you are a shareholder you will be entitled to receive any dividends paid, and vote at and attend the Annual General Meeting (held in the UK).

Should I keep my ADRs or sell them?

This is an investment decision, and Pearson can't give advice on this. Remember share prices can go up and down so this would be your decision.

What is my taxation position?

The release of your share awards is taxable income. As there is a withholding requirement, the value of your awards will be processed through payroll. The base cost of your ADRs for capital gains tax purposes will be the value used when calculating income tax when they were released.

Where is there more information on the awards I have?

Full information on your awards can be found in the Documentation section through your [NetBenefits](#) account online.

This summary is for guidance only. If there is any discrepancy between this summary and the plan rules, the plan rules take precedence.